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Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

## PAID UP OIL AND GAS LEASE

(No Surface Use)		
THIS LEASE AGREEMENT is made this 3 day of 1	, 2008, by and between	
nobert N. Lawson, a Married person not pinced by spouse	2	
whose addresss is bT20 TrCLL (1) FFT0CU Firth 10 Th TEXCLS Tol32 as Lessor, and, DALE PROPERTY SERVICES, L.L.C., 2100 Ross Avenue, Suite 1870 Dallas Texas 75201, as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.  1. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described land, hereinafter called leased premises:		
ACRES OF LAND, MORE OR LESS, BEING LOT(S)  OUT OF THE LOCKEVIEW  ADDITION  TONE LOCKEVIEW  ADDITION  TONE LOCKEVIEW  TARRANT COUNTY, TEXAS, ACCORDING TO THE PLAT RECORDS OF THE PLAT RECO	, BLOCK <u>    C</u> DN, AN ADDITION TO THE CITY OF THAT CERTAIN PLAT RECORDED TARRANT COUNTY, TEXAS.	
in the County of Tarrant, State of TEXAS, containing of the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non hydrocarbon substances produced in association therewith (including geophysical/seismic operations). The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.  2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of TO I I have a "paid-up" lease requiring no rentals, shall be in force for a primary term of TO I I have a "paid-up" lease requiring no rentals.		
as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises otherwise maintained in effect pursuant to the provisions hereof.	s or from lands pooled therewith or this lease is	
3. Royaltles on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as foll separated at Lessee's separator facilities, the royalty shall be The First (100 %) of such processor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, the prevailing price) for production of similar grade and gravity; (b) for gas (including casing head gas) and all other substances or production, severance, or other excise taxes and the costs incurred by Lessee in delivering, processing or otherwise marketing Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to othe same or nearest preceding date as the date on which Lessee commences its purchases hereunder; and (c) if at the end of more wells on the leased premises or lands pooled therewith are capable of either producing oil or gas or other substances coare welling on hydraulic fracture stimulation, but such well or wells are either shut-in or production there from is not being sold by Lessee, then Lessee shall pay shut-in royalty of one dollar per acre then covered by this lease. Lessor's credit in the depository designated below, on or before the end of said 90-day period and thereafter on or before each while the well or wells are shut-in or production, Lessee's failure to properly pay shut-in royalty shall render Lessee is being sold by Lessee from another well or wells on the leased premises or lands pooled therewith, no shut-in royalty shall following cessation of such operations or production. Lessee's failure to properly pay shut-in royalty shall render Lessee liab terminate this lease.  4. All shut-in royalty payments under this lease shall	oduction, to be delivered at Lessee's option to continuing right to purchase such production at en in the nearest field in which there is such a stances covered hereby, the royalty shall be proportionate part of ad valorem taxes and any such gas or other substances, provided that of similar quality in the same field (or if there is comparable purchase contracts entered into on the primary term or any time thereafter one or vered hereby in paying quantities or such wells by Lessee, such well or wells shall nevertheless ase, such payment to be made to Lessor or location and production and production be due until the end of the 90-day period next olde for the amount due, but shall not operate to address above or its successors, which shall	
draft and such payments or tenders to Lessor or to the depository by deposit in the US Mails in a stamped envelope address address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institute payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institute.  5. Except as provided for in Paragraph 3, above, if Lessee drills a well which is incapable of producing in paying quantities premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently ceases from any pursuant to the provisions of Paragraph 6 or the action of any governmental authority, then in the event this lease is not nevertheless remain in force if Lessee commences operations for reworking an existing well or for drilling an additional well or on the leased premises or lands pooled therewith within 90 days after completion of operations on such dry hole or within 90 the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is the operations reasonably calculated to obtain or restore production therefrom, this lease shall remain in force so long as any one no cessation of more than 90 consecutive days, and if any such operations result in the production of oil or gas or other subthere is production in paying quantities from the leased premises or lands pooled therewith. After completion of a well capable Lessee shall drill such additional wells on the leased premises or lands pooled therewith as a reasonably prudent operator wou to (a) develop the leased premises as to formations then capable of producing in paying quantities on the leased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith. There shall additional wells except as expressly provided herein.	ed to the depository or to the Lessor at the last fution, or for any reason fail or refuse to accept alon as depository agent to receive payments. Hes (hereinafter called "dry hole") on the leased cause, including a revision of unit boundaries of otherwise being maintained in force it shall for otherwise obtaining or restoring production lays after such cessation of all production. If at then angaged in drilling, reworking or any other or more of such operations are prosecuted with patances covered hereby, as long thereafter as led of producing in paying quantities hereunder, ald drill under the same or similar circumstances or lands pooled therewith, or (b) to protect the	
6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein widepths or zones, and as to any or all substances covered by this lease, either before or after the commencement of produce proper to do so in order to prudently develop or operate the leased pramises, whether or not similar pooling authority exists will unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreogratic completion shall not exceed 640 acres plus a maximum acreogratic to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate of the foregoing, the term "horizontal with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a feet or more per barrel, based on 24-hour production test conducted under normal producing conditions using standard equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completic component thereor. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the exter Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the reuit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to prescribed or permitted by the governmental authority having jurisdiction, or to conform to any product	ction, whenever Lessee deems it necessary or the respect to such other lands or interests. The reage tolerance of 10%, and for a gas well or a e formed for an oil well or gas well or a e formed for an oil well or gas well or horizontal ty having jurisdiction to do so. For the purpose governmental authority, or, if no definition is so well with an initial gas-oil ratio of 100,000 cubic lease separator facilities or equivalent testing letion interval in facilities or equivalent testing on interval in the reservoir exceeds the vertical e unit and stalling the effective date of pooling, be treated as if it were production, drilling or proportion of the total unit production which the nt such proportion of unit production is sold by curring right but not the obligation to revise any conform to the well spacing or density pattern the of revision. To the extent any portion of the total unit system authority. In alte of revision. To the extent any portion of the royalties are payable hereunder shall thereafter essee may terminate the unit by filing of record	

7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royallies and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lesson's interest in such part of the leased premises bears to the full mineral estate in

such part of the leased premises.

8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or lender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferree to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut in royalties shall be proportionately reduced

If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary antitor enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises of ponds therewith, the ancillary rights granted to above, probably leading and v.(a) to the entire leased greenises described in Paragraph 4 above, probably leading any partial templication of this leaser, and (b) to any except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor In writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority invisidiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such prevention, or by any other cause not rea

Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.

14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royally or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes,

mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other

operations

17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

DISCLAMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence, Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

gnatory's

IN WITNESS WHEREOF, this lease is executed to be effective as o heirs, devisees, executors, administrators, successors and assigns, w	of the date first written above thether or not this lease has b	, but upon execution shall be binding on the signatory and the signer energy and the signer executed by all parties hereinabove named as Lessor.
LESSOR (WHETHER ONE OR MORE)		
By: Impent, courson	Ву:	
STATE OF TEXOS	ACKNOWLEDGMENT	Г
COUNTY OF TOP CO	and day of The	JU 2008,
		Kusha H. Packer-Polk.
KISHA G. PACKER POLK Notary Public, State of Texas My Commission Expires April 15, 2012	12	Notary Public, State of <u>TEYCL</u> S Notary's riame (printed): Notary's commission expires:
STATE OF COUNTY OF This instrument was acknowledged before me on the	day of	, 2008,
by:		



## DALE RESOURCES 3000 ALTA MESA BLVD STE 300

FT WORTH

TX 76133

Submitter: DALE RESOURCES LLC

## SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

## DO NOT DESTROY WARNING - THIS IS PART OF THE OFFICIAL RECORD.

Filed For Registration: 07/21/2008 03:06 PM
Instrument #: D208283171
LSE 3 PGS \$20.00

By:

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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